

FULTON FINANCIAL CORP
Form S-4
April 02, 2003
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As Filed With the Securities and Exchange Commission On April 2, 2003

Registration Statement No. 333-

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM S-4
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

FULTON FINANCIAL CORPORATION

(Exact name of registrant as specified in its charter)

Pennsylvania
(State or other jurisdiction of
incorporation or organization)

6720
(Primary Standard Industrial
Classification Code Number)

23-2195389
(I.R.S. Employer Identification No.)

One Penn Square
Lancaster, Pennsylvania 17604

717-291-2411

(Address, including zip code, and telephone number, including area code,

of registrant's principal executive offices)

Rufus A. Fulton, Jr.

Chairman and Chief Executive Officer

One Penn Square

Lancaster, Pennsylvania 17604

717-291-2411

(Name, address, including zip code, and telephone number, including area code,

of agent for service)

COPIES TO:

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Camp Hill, Pennsylvania 17011

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Approximate date of commencement of proposed sale of the securities to the public: As soon as practicable after this Registration Statement becomes effective.

If the securities being registered on this Form are to be offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box: "

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier registration statement for the same offering. "

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box, and list Securities Act registration statement number of the earlier effective registration statement for the same offering. "

CALCULATION OF REGISTRATION FEE

Title Of Each Class Of Securities To Be Registered	Amount To Be Registered (1)	Proposed Maximum Offering Price Per Unit (2)(3)	Proposed	Amount Of Registration Fee
			Maximum Aggregate Offering Price (2)(3)	
Common Stock, par value \$2.50 per share (and associated stock purchase rights)(4)	4,877,178	\$24.49	119,442,089	\$9,663

(1) Based on the maximum number of shares of the Registrant's common stock that may be issued in connection with the proposed merger of Premier Bancorp, Inc. with and into the Registrant. In accordance with Rule 416, this Registration Statement shall also register any additional shares of the Registrant's common stock which may become issuable to prevent dilution resulting from stock splits, stock dividends or similar transactions as provided by the agreement relating to the merger.

(2) Estimated solely for purposes of calculating the registration fee.

(3)

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Computed in accordance with Rule 457(f)(1), on the basis of the average of the high and low prices reported by AMEX for the common stock of Premier Bancorp, Inc. on March 31, 2003 of \$24.49 and based on 3,417,515 shares of Premier Bancorp, Inc. common stock to be exchanged in the merger and unexercised options to purchase 222,170 shares of Premier Bancorp, Inc. common stock.

- (4) Prior to the occurrence of certain events, the stock purchase rights will not be evidenced separately from the common stock.

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until the registration statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

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Proxy Statement/ Prospectus

PREMIER BANCORP, INC.
PROXY STATEMENT
FOR ANNUAL MEETING OF SHAREHOLDERS

May 9, 2003

American Stock Exchange Symbol: PPA

FULTON FINANCIAL CORPORATION
PROSPECTUS FOR
4,877,178 SHARES OF FULTON FINANCIAL COMMON STOCK

Nasdaq National Market Symbol: FULT

This document constitutes a proxy statement of Premier Bancorp, Inc. in connection with the solicitation of proxies by the Board of Directors of Premier for use at the annual meeting of shareholders to be held at the Doylestown Country Club, Green Street, Doylestown, Pennsylvania, on Friday, May 9, 2003, at 9:00 a.m., local time. At the meeting, Premier shareholders will be asked to consider and vote on the following proposals:

1. To elect five Class 2 directors to the Board of Directors of Premier;
2. To approve and adopt the Agreement and Plan of Merger, dated January 16, 2003, between Premier and Fulton Financial Corporation which provides, among other things, for the merger of Premier with and into Fulton and the conversion of each share of common stock of Premier outstanding immediately prior to the merger into 1.34 shares (subject to adjustment) of Fulton common stock, plus cash in lieu of any fractional share interest;
3. To adjourn the meeting if necessary to allow Premier time to solicit more votes in favor of the merger agreement; and
4. To transact such other business as may properly be brought before the annual meeting.

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This document also constitutes a prospectus of Fulton filed as part of a registration statement filed with the Securities and Exchange Commission relating to up to 4,877,178 shares of Fulton common stock being registered for this transaction. On _____, 2003, the closing price of Fulton's common stock was \$_____, making the value of 1.34 shares of Fulton common stock equal to \$_____ on that date. The closing price of Premier's common stock on that date was \$_____. These prices will fluctuate between now and the closing of the merger. This document does not cover any resale of the Fulton stock being registered for this transaction by any shareholders deemed to be affiliates of Fulton or Premier. Premier and Fulton have not authorized any person to make use of this document in connection with any such resale.

Premier and Fulton provided all information related to their respective companies.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this document. Any representation to the contrary is a criminal offense.

These securities are not savings or deposit accounts or other obligations of any bank or nonbank subsidiary of any of the parties, and they are not insured by the Federal Deposit Insurance Corporation or any governmental agency.

The date of this document is _____, 2003. This document was first sent to shareholders on or about April 11, 2003.

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You should rely only on the information contained in this document or to which this document has referred you. Premier and Fulton have not authorized anyone to provide you with information that is different. You should not assume that the information in this document is accurate as of any date other than the date on the front of the document.

The document incorporates important business and financial information about Fulton and Premier that is not included in or delivered with the document. This information is available without charge to security holders upon written or oral request to the following persons at either Premier or Fulton:

*George R. Barr, Jr., Secretary
Fulton Financial Corporation
One Penn Square
Lancaster, PA 17602
717-291-2411*

*John J. Ginley, Secretary
Premier Bancorp, Inc.
379 North Main Street
Doylestown, PA 18901
215-345-5100*

To obtain timely delivery of requested documents, you must request the information no later than May 2, 2003.

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QUESTIONS AND ANSWERS ABOUT THE MERGER

Q1: What do I need to do now?

A: After you have carefully read this document, indicate on your proxy card how you want your shares to be voted, then sign and mail it in the enclosed prepaid return envelope as soon as possible, so that your shares may be represented and voted at the annual meeting to be held on May 9, 2003.

Q2: If my shares are held in street name by my broker, will my broker vote my shares for me?

A: Maybe. Your broker will vote your shares only if you provide instructions on how to vote. You should follow the directions provided by your broker. Without instructions, your shares will not be voted on the merger agreement.

Q3: Can I change my vote after I have mailed my signed proxy card?

A: Yes. There are three ways for you to revoke your proxy and change your vote. First, you may send a written notice to the person to whom you submitted your proxy stating that you would like to revoke your proxy. Second, you may complete and submit a new proxy card with a later date. Third, you may vote in person at the annual meeting. If you have instructed a broker to vote your shares, you must follow directions received from your broker to change your vote.

Q4: Should I send in my stock certificates now?

A: No. Shortly after the merger is completed, Fulton will send you written instructions for exchanging your stock certificates. Fulton will request that you return your Premier stock certificates at that time.

Q5: When do you expect to merge?

A: Fulton and Premier expect to complete the merger no later than the third quarter of 2003. In addition to the approval of Premier shareholders, Fulton must also obtain regulatory approvals. Fulton and Premier expect to receive all necessary approvals no later than the third quarter of 2003.

Q6: Who should I call with questions or to obtain additional copies of this document?

A: You should call either:

George R. Barr, Jr., Secretary
Fulton Financial Corporation
One Penn Square
Lancaster, PA 17604
717-291-2411

John J. Ginley, Secretary
Premier Bancorp, Inc.
379 North Main Street
Doylestown, PA 18901
215-345-5100

Q7: If my shares are held in an IRA, who votes those shares?

A. You vote shares held by you in an IRA as though you held those shares directly.

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SUMMARY

This summary highlights selected information from this document. Because this is a summary, it does not contain all of the information that is important to you. To understand the merger fully, you should carefully read this entire document and the attached exhibits. See "Where You Can Find More Information" on page 68 for reference to additional information available to you regarding Fulton and Premier.

The Companies (See page 45 for Fulton, page 49 for Premier)

Fulton Financial Corporation

One Penn Square

Lancaster, Pennsylvania 17604

717-291-2411

Fulton Financial Corporation is a Pennsylvania business corporation and a registered financial holding company that maintains its headquarters in Lancaster, Pennsylvania. As a financial holding company, Fulton engages in general commercial and retail banking and trust business, and also in related financial businesses, through its 19 directly-held bank and nonbank subsidiaries. Fulton's bank subsidiaries currently operate 125 banking offices in Pennsylvania, 19 banking offices in Maryland, 12 banking offices in Delaware, and 37 banking offices in New Jersey. As of December 31, 2002, Fulton had consolidated total assets of approximately \$8.4 billion.

The principal assets of Fulton are its ten wholly-owned bank subsidiaries:

Fulton Bank, a Pennsylvania bank and trust company which is not a member of the Federal Reserve System;

Lebanon Valley Farmers Bank, a Pennsylvania bank and trust company which is a member of the Federal Reserve System;

Swineford National Bank, a national banking association which is a member of the Federal Reserve System;

Lafayette Ambassador Bank, a Pennsylvania bank and trust company which is a member of the Federal Reserve System;

FNB Bank, National Association, a national banking association which is a member of the Federal Reserve System;

Hagerstown Trust Company, a Maryland trust company which is not a member of the Federal Reserve System;

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Delaware National Bank, a national banking association which is a member of the Federal Reserve System;

The Bank, a New Jersey bank which is not a member of the Federal Reserve System;

The Peoples Bank of Elkton, a Maryland bank which is not a member of the Federal Reserve System; and

Skylands Community Bank, a New Jersey bank which is not a member of the Federal Reserve System.

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In addition, Fulton has nine wholly-owned nonbank direct subsidiaries:

Fulton Financial Realty Company, which holds title to or leases certain properties on which Fulton Bank maintains branch offices or other facilities;

Fulton Reinsurance Company, LTD, which engages in the business of reinsuring credit life, accident and health insurance that is directly related to extensions of credit by Fulton's bank subsidiaries;

Central Pennsylvania Financial Corp., which owns certain non-banking subsidiaries holding interests in real estate and certain limited partnership interests in partnerships invested in low and moderate income housing projects;

FFC Management, Inc., which owns certain securities and corporate owned life insurance policies;

Fulton Financial Advisors, National Association, a limited purpose national banking association with trust powers;

Dearden, Maguire, Weaver and Barrett, LLC, an investment management and advisory firm;

Fulton Insurance Services Group, Inc., an insurance agency;

FFC Penn Square, Inc., which holds certain trust preferred securities; and

Drovers Capital Trust I, which issued certain trust preferred securities.

Premier Bancorp, Inc.

379 North Main Street

Doylestown, PA 18901

215-345-5100

Premier, a Pennsylvania corporation, is the holding company for Premier Bank, a Pennsylvania state chartered bank. At December 31, 2002, Premier had total consolidated assets of approximately \$610 million, deposits of approximately \$456 million and shareholders' equity of approximately \$38 million. Premier Bank has seven branches located in Bucks, Northampton and Montgomery Counties, Pennsylvania. Premier Bank is engaged principally in the business of taking deposits and making commercial loans, residential mortgage loans, consumer loans and home equity and property improvement loans. Premier has two wholly-owned non-bank subsidiaries, PBI Capital Trust and Premier Capital Trust II.

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Premier Bank also owns a 99% membership in, and Premier owns a 1% membership interest in, each of Lenders Abstract, LLC and Premier Bank Insurance Services, LLC.

Agreement to Merge (See page 18)

Fulton and Premier entered into a merger agreement on January 16, 2003. The merger agreement provides that each share of Premier common stock outstanding on the effective date of the merger will be exchanged for 1.34 shares (subject to adjustment) of Fulton common stock, and Premier will merge with Fulton. A copy of the merger agreement is attached to this document as Exhibit A and is incorporated herein by reference.

Each Premier Share Will Be Exchanged For 1.34 Shares Of Fulton Common Stock (See page 32)

If the merger is completed, you will receive 1.34 shares of Fulton common stock for each share of Premier common stock you own. Fulton will not issue any fractional shares. Premier common shareholders will receive a cash payment for any fractional shares based on the market price of Fulton common stock during a period leading up to completion of the merger. On _____, 2003, the closing price of Fulton common stock was \$_____, making the

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value of 1.34 shares of Fulton common stock equal to \$_____ on that date. Because the market price of Fulton stock fluctuates, you will not know when you vote what the shares will be worth when issued in the merger.

If the average price of Fulton common stock is below \$11.18 for a ten day period just before the merger, and if the price of Fulton common stock has also declined 20% more than the decline (if any) in the average NASDAQ Bank Index for the same period as compared to the NASDAQ Bank Index on January 15, 2003, Premier may terminate the merger. Neither party would owe the other any penalty or fee as a result of termination of the merger agreement. The market price termination provisions will be based on an average of the closing bid and asked prices for the Fulton common stock for the ten (10) consecutive trading days immediately preceding the date which is two (2) business days prior to the closing date of the merger. See Termination; Effect of Termination on page 39.

No Federal Income Tax On Shares Received In Merger (See page 41)

Premier shareholders generally will not recognize gain or loss for federal income tax purposes for the shares of Fulton common stock they receive in the merger. Fulton's attorneys have issued a legal opinion to this effect, which is included as an exhibit to the registration statement filed with the SEC for the shares to be issued in the merger. Premier shareholders will be taxed on cash received instead of any fractional share. Tax matters are complicated, and tax results may vary among shareholders. Fulton and Premier urge you to contact your own tax advisor to understand fully how the merger will affect you.

Premier Board Recommends Shareholder Approval (See page 20)

The Premier Board believes that the merger is in the best interests of Premier and its shareholders and recommends that you vote FOR approval of the merger agreement.

Exchange Ratio Is Fair From A Financial Point Of View According To Premier's Financial Advisor (See page 21)

Boenning & Scattergood, Inc. has given an opinion to the Premier Board that, as of January 16, 2003 and as of [date], the exchange ratio in the merger is fair from a financial point of view to Premier's shareholders. The full text of this opinion is attached as Exhibit C to this document. Fulton and Premier encourage you to read the opinion carefully. Premier has agreed to pay Boenning & Scattergood, Inc. a fee equal to approximately \$915,000. A portion of this fee was paid upon engagement, a portion when the fairness opinion was issued and an additional portion will be paid upon completion of the merger.

Vote Required To Approve Merger Agreement (See page 17)

Approval of the merger agreement requires the affirmative vote of the holders of at least 66 2/3% of Premier's outstanding common stock. The directors and executive officers of Premier and their affiliates together own about 44.77% of Premier's outstanding common stock as of March 31, 2003. The directors and executive officers of Premier have signed voting agreements pursuant to which they have agreed to vote their shares in favor of the merger.

Brokers who hold shares of Premier common stock as nominees will not have authority to vote such shares with respect to the merger unless shareholders provide them with voting instructions.

The merger does not require the approval of Fulton's shareholders.

Annual Meeting To Be Held May 9, 2003 (See page 16)

Premier will hold its annual meeting of shareholders on Friday, May 9, 2003, at 9:00 a.m., local time, at the Doylestown Country Club, Green Street, Doylestown, Pennsylvania.

At the meeting, you will vote on the election of five Class 2 directors, the merger agreement, a proposal to adjourn the meeting to solicit additional proxies, if necessary, in the event there are not sufficient votes at the time of the annual meeting to approve the merger agreement, and any other business that properly arises.

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Record Date Set At March 31, 2003; Voting (See page 16)

You are entitled to vote at the annual meeting if you owned shares of Premier common stock at the close of business on March 31, 2003, the record date. On March 31, 2003, there were 3,417,515 shares of Premier common stock outstanding. You will have one vote at the meeting for each share of Premier common stock you owned on March 31, 2003 for all matters except the election of directors, for which you are entitled to exercise cumulative voting rights.

Conditions That Must Be Satisfied For The Merger To Occur (See page 33)

The following conditions must be met for Fulton and Premier to complete the merger in addition to other customary conditions:

approval of the merger by Premier's shareholders;

the absence of legal restraints that prevent the completion of the merger;

receipt of a legal opinion that the merger will be tax-free to shareholders, except for any cash received in lieu of fractional shares;

the continuing accuracy of the parties' representations in the merger agreement;

receipt of all required regulatory approvals; and

the continuing effectiveness of the registration statement filed with the SEC.

Regulatory Approvals Required (See page 40)

Fulton and Premier cannot complete the merger unless Fulton obtains the approvals of the Federal Reserve Board and the Pennsylvania Department of Banking. Fulton has filed the required applications and notices seeking approval of the merger. Although Fulton and Premier believe regulatory approvals will be received in a timely manner, Fulton and Premier cannot be certain when or if they will be obtained.

Termination And Amendment Of The Merger Agreement (See page 39)

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Premier and Fulton can mutually agree at any time to terminate the merger agreement without completing the merger. Either party can also terminate the merger agreement in the following circumstances:

if any condition precedent to a party's obligations under the merger agreement is unsatisfied on September 30, 2003, through no fault of the other party, provided that this date may be extended until December 31, 2003, if closing has not occurred because regulatory approval has not then been received;

if the other party has materially breached a representation, warranty or covenant and has not cured such breach within thirty days of receiving written notice of the breach; or

the market price of Fulton common stock for a ten day period just before the merger is \$11.18, and the decline in Fulton Common Stock is at least 20% greater than the decline, if any, generally experienced in bank stocks as measured against an index.

In addition, Fulton may terminate the merger agreement if Premier's Board of Directors exercises its fiduciary duty with respect to a proposed acquisition of Premier by someone other than Fulton.

Fulton and Premier can agree to amend the merger agreement in any way, except that after the shareholders' meeting they cannot decrease the consideration you will receive in the merger. Either company can waive any of the

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requirements of the other company in the merger agreement, except that neither company can waive any required regulatory approval.

No Dissenters Rights Of Appraisal (See page 42)

Premier's shareholders are not entitled to exercise dissenters' rights under the provisions of Subchapter D of Chapter 15 of the Pennsylvania Business Corporation Law of 1988, as amended.

Fulton To Continue As Surviving Corporation (See page 31)

Fulton will continue as the surviving corporation after the merger. The Boards of Directors and executive officers of Fulton and its subsidiaries will not change as a result of the merger, except that:

Fulton will appoint to its Board of Directors one of Premier's current directors who will serve until Fulton's 2004 annual meeting, and Fulton will nominate such person to serve for a three year term at such meeting;

All of Premier Bank's current directors are expected to remain on Premier Bank's Board following the merger.

Your Rights As Shareholders Will Change After The Merger (See page 65)

Upon completion of the merger, you will become a shareholder of Fulton. Fulton's Articles of Incorporation and Bylaws and Pennsylvania law determine the rights of Fulton's shareholders. The rights of shareholders of Fulton differ in certain respects from the rights of shareholders of Premier.

Warrant Agreement (See page 37)

In connection with the merger agreement, Premier granted Fulton a warrant to purchase up to 835,000 shares of Premier common stock at an exercise price of \$17.85 per share. The warrant acts to discourage other companies from acquiring Premier and provides compensation to Fulton in the event that the merger falls through because another party gains control of Premier. Generally, Fulton may exercise this warrant only if another party seeks to gain control of Premier. We do not believe that any of the events which would permit Fulton to exercise the warrant have occurred as of the date of this document.

The warrant agreement and warrant are attached to this document as Exhibit B.

Interests of Certain Persons In The Merger (See page 43)

When considering the recommendation of the Premier Board, you should be aware that some directors and officers have interests in the merger which may conflict with their interests as shareholders. These interests include:

Each of Premier's current Chairman, Clark S. Frame, President and Chief Executive Officer, John C. Soffronoff, and Senior Vice President and Secretary, John J. Ginley, have entered into employment agreements with Premier Bank that will become effective upon completion of the merger. These employment agreements will replace existing change in control agreements which each of Messers. Soffronoff and Ginley had with Premier;

Officers and directors hold stock options to purchase Premier stock that will convert into options to purchase Fulton stock. As of _____, 2003, the difference between the aggregate exercise price and the market value of the shares underlying the options held by executive officers and directors, which represents the economic value of the options, was approximately \$_____; and

Following the merger, Fulton will indemnify, and provide liability insurance to, directors of Premier.

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Forward Looking Information

This document contains and incorporates some forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements include statements regarding intent, belief or current expectations about matters including statements as to beliefs, expectations, anticipations, intentions or similar words. Forward-looking statements are also statements that are not statements of historical fact. Forward-looking statements are subject to risks, uncertainties and assumptions. These include, by their nature:

the effects of changing economic conditions in Fulton's and Premier's market areas and nationally;

credit risks of commercial, real estate, consumer and other lending activities;

significant changes in interest rates;

changes in federal and state banking laws and regulations which could impact operations;

funding costs;

other external developments which could materially affect the business and operations of Fulton and Premier;

the ability of Fulton to assimilate Premier after the merger; and

other risks detailed from time to time in Premier's and Fulton's SEC filings, including forms 10-Q and 10-K.

If one or more of these risks or uncertainties occurs or if the underlying assumptions prove incorrect, actual results, performance or achievements in 2003 and beyond could differ materially from those expressed in, or implied by, the forward-looking statements.

Share Information And Market Prices

Fulton common stock trades on the National Market System of the NASDAQ Stock Market under the symbol FULT. Premier common stock trades on the American Stock Exchange under the trading symbol PPA. The table below shows the last sale prices of Fulton common stock, Premier common stock and the equivalent price per share of Premier common stock based on the exchange ratio on January 15, 2003 and _____, 2003.

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On January 15, 2003, the last trading day before public announcement of the merger agreement, the per share closing price for Fulton common stock was \$18.64. Based on such closing price for such date and the conversion ratio of 1.34 shares of Fulton common stock for each share of Premier common stock, the pro forma value of the shares of Fulton common stock to be received in exchange for each share of Premier common stock was \$24.98.

On January 15, 2003, the last trading day before public announcement of the merger agreement, the per share closing price for Premier common stock was \$17.85.

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The foregoing historical and pro forma equivalent per share market information is summarized in the following table.

	Historical	Pro Forma
	Price Per Share	Equivalent
	<u>Price Per Share</u>	<u>Price Per Share¹</u>
Fulton Common Stock		
Closing Price on January 15, 2003	\$ 18.64	N/A
Closing Price on _____, 2003		N/A
Premier Common Stock		
Closing Price on January 15, 2003	\$ 17.85	\$ 24.98
Closing Price on _____, 2003		\$

The market prices of both Fulton and Premier common stock will fluctuate prior to the merger. You should obtain current market quotations for Fulton common stock and Premier common stock.

Comparative Per Share Data

Fulton and Premier have summarized below the per share information for each company on an historical, pro forma combined and equivalent basis. You should read this information in conjunction with the historical financial statements and the related notes contained in the annual and quarterly reports and other documents Fulton and Premier have filed with the SEC or attached to this document. See **Where You Can Find More Information** on page 68. The Fulton pro forma information gives effect to the merger, assuming that 1.34 shares of Fulton common stock are issued for each outstanding share of Premier common stock.

¹ Based upon the product of the Conversion Ratio (1.34) and the closing price of Fulton common stock on January 15, 2003 and _____, 2003, respectively.

Table of Contents**Selected Historical and Pro Forma****Combined Per Share Data (A)**

Fulton	As of or for the Year Ended December 31, 2002
<u>Historical Per Common Share:</u>	
Average Shares Outstanding (Basic)	102,636,000
Average Shares Outstanding (Diluted)	103,309,000
Book Value	\$8.54
Cash Dividends	\$0.586
Net Income (Basic)	\$1.30
Net Income (Diluted)	\$1.29
<u>Fulton, Premier Combined</u>	
<u>Pro Forma Per Common Share:</u>	
Average Shares Outstanding (Basic)	107,145,726
Average Shares Outstanding (Diluted)	107,990,579
Book Value	\$9.03
Cash Dividends	\$0.586
Net Income (Basic)	\$1.253
Net Income (Diluted)	\$1.243

- (A) The above combined pro forma per share equivalent information is based on average shares outstanding during the period except for the book value per share which is based on period end shares outstanding. Financial information reflects the acquisition of Premier accounted for under the purchase method of accounting applied to historical financial information as of and for the year ended December 31, 2002. Per share dividends reflect Fulton's historic payment history. Net income utilized in the calculation of income per share does not reflect any anticipated expense savings, revenue enhancements or capital restructuring anticipated by Fulton as a result of this transaction.

Table of Contents**Selected Historical and Pro Forma****Combined Per Share Data (A)**

Premier	As of or for the Year Ended December 31, 2002
<u>Historical Per Common Share:</u>	
Average Shares Outstanding (Basic)	3,365,467
Average Shares Outstanding (Diluted)	3,493,716
Book Value	\$7.81
Cash Dividends	\$0.00
Net Income (Basic)	\$1.26
Net Income (Diluted)	\$1.22
<u>Equivalent Pro Forma Per Common Share:</u>	
Book Value	\$12.10
Cash Dividends	\$ 0.785
Net Income (Basic)	\$ 1.68
Net Income (Diluted)	\$ 1.67

- (A) The above combined pro forma per-share equivalent information is based on average shares outstanding during the period except for the book value per share which is based on period end shares outstanding. The number of shares in each case has been adjusted for stock dividends and stock splits by each institution through the periods. The equivalent pro forma per common share information is derived by applying the exchange ratio of 1.34 shares of Fulton \$2.50 per share par value common stock for each Premier \$0.33 per share par value common stock to the Fulton, Premier combined pro forma per common share information.

Table of Contents**Selected Financial Data**

The following tables show certain historical consolidated summary financial data for both Fulton and Premier. This information is derived from the consolidated financial statements of Fulton and Premier incorporated by reference in, or included with, this document. See [Where You Can Find More Information](#) on page 68.

Fulton Financial Corporation**Selected Historical Financial Data**

(In thousands, except per share data)

	2002	2001	2000	1999	1998
FOR THE YEAR					
Interest income	\$ 469,288	\$ 518,680	\$ 519,661	\$ 465,221	\$ 450,195
Interest expense	158,219	227,962	243,874	199,128	199,430
Net interest income	311,069	290,718	275,787	266,093	250,765
Provision for loan losses	11,900	14,585	15,024	9,943	6,848
Other income	115,783	102,744	76,980	68,002	65,999
Other expenses	225,536	218,921	186,472	177,026	173,274
Income before income taxes	189,416	159,956	151,271	147,126	136,642
Income taxes	56,468	46,367	44,437	42,499	41,635
Net income	\$ 132,948	\$ 113,589	\$ 106,834	\$ 104,627	\$ 95,007
PER-SHARE DATA					
Net income (basic)	\$ 1.30	\$ 1.10	\$ 1.05	\$ 1.02	\$ 0.92
Net income (diluted)	1.29	1.09	1.05	1.01	0.92
Cash dividends	0.586	0.530	0.426	0.426	0.384
AT YEAR END					
Total assets	\$ 8,387,778	\$ 7,770,711	\$ 7,364,804	\$ 6,787,424	\$ 6,433,612
Net loans	5,317,068	5,373,020	5,374,659	4,882,606	4,420,481
Deposits	6,245,528	5,986,804	5,502,703	5,051,512	5,048,924
Long-term debt	535,555	456,802	559,503	460,573	358,696
Shareholders' equity	863,742	811,454	731,171	662,749	654,070
AVERAGE BALANCES					
Shareholders' equity	\$ 838,213	\$ 779,014	\$ 673,971	\$ 663,841	\$ 633,056
Total assets	7,900,500	7,520,071	7,019,523	6,533,632	6,093,496

Table of Contents**Premier Bancorp, Inc.****Selected Historical Financial Data****(In thousands, except for per share data)**

	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>
For the Year					
Interest income	\$ 32,794	\$ 29,651	\$ 26,693	\$ 21,929	\$ 16,516
Interest expense	15,265	16,625	15,294	11,420	8,922
Net interest income	17,529	13,026	11,399	10,509	7,594
Provision for loan losses	870	818	528	719	505
Other income	937	594	319	124	357
Other expenses	10,953	9,405	8,454	6,744	4,903
Income before income taxes	6,643	3,397	2,736	3,170	2,543
Income taxes	1,929	863	675	765	788
Net income	\$ 4,714	\$ 2,534	\$ 2,061	\$ 2,405	\$ 1,755
LESS: preferred stock dividends	\$ 468	\$	\$	\$	\$